

Message Text

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PAGE 01 SANA 01967 240802Z
ACTION NEA-10

INFO OCT-01 ISO-00 EB-07 COME-00 L-03 TRSE-00 EUR-12
STR-04 CIAE-00 INR-07 NSAE-00 /044 W
-----240813Z 017812 /15
R 240500Z MAY 77
FM AMEMBASSY SANA
TO SECSTATE WASHDC 1325

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E.O. 11652: N/A
TAGS: BEXP, YE
SUBJECT: ARAB BOYCOTT

REFERENCE: DUSSELDORF 0793

BEGIN SUMMARY: REQUEST GUIDANCE ON HOW TO HANDLE NEW TENDER
FROM YARG CONTAINING BOYCOTT LANGUAGE. END SUMMARY.

1. FOLLOWING TENDER DOUCMENT WAS PUBLISHED IN OFFICIAL
GOVERNMENT NEWSPAPER AL THAWRAH ON 19 MAY 77. QUOTE
YEMEN ARAB REPUBLIC. NATIONAL WATER AND SEWERAGE AUTHROTIY.
OAK(PARAGRAPH) THE GOVERNMENT OF THE YAR INVITES TENDERERS
OF THE MANUFACTURE AND DELIVERY OF CAST IRON MANHOLE COVERS

ANDWATERMETERS AND FIRE HYDRANT ASSEMBLIES FOR THE WATER
SUPPLY AND SEWERAGE PROJECT OF HODEIDA. (PARAGRAPH) A
CREDIT FROM THE ARAB FUND FOR ECONOMIC AND SOCIAL DEVELOP-
MENT TOGETHER WITH A CREDIT FROM THE INTERNATIONAL DEVELOP-

MENT ASSOCIATION HAVE BEEN APPROVED TO FINANCE THIS PROJECT.
(PARAGRAPH) IT IS INTENDED THAT PROCEEDS OF THESE TWO
CREDITS WILL BE APPLIED TOWARDS PAYMENT UNDER CONTRACTS
FOR WHICH THIS NOTICE IS ISSUED. BIDDING FOR THE MAN-
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HOLE COVERS WILL BE OPEN TO SUPPLIERS FROM ALL COUNTRIES
EXCEPT ISRAEL AND THOSE WHO APPEAR IN THE ARAB BOYCOTT
LIST. WHILE BIDDING FOR WATER METERS AND FIRE HY-
DRANTS WILL BE OPEN TO SUPPLIERS FROM COUNTRIES WHO
ARE MEMBERS OF THE WORLD BANK AND SWITZERLAND. (PARA-
GRPAH) TENDER DOUCMENTS WILL BE AVAILABLE IN THE OFFICE
OF NWSA, P.O. BOX NO 104, SANA, YER AND AT MESSRS

F.K. KOCKS (SIC), HEAD OFFICE P.O. BOX 320446, DUESSEL-DORF, WEST GERMANY. THESE CAN BE PURCHASED STARTING FROM 23TH MAY, 1977 FROM EITHER OFFICES AFTER PAYMENT OF 100 US DOLLARS BEING COST OF TENDER. (PARAGRAPH) TENDERS SHALL BE SUBMITTED TO THE DIRECTOR GENERAL, NWSA AND NOT LATER THAN 18TH JULY, 1977, 11 A.M. THE OPENING OF SAME WILL TAKE PLACE IN A PUBLIC MEETING AT 12 NOON THE SAME DAY. /S/ AL FUSAIL. END QUOTE.

2. CLEARLY ABSENCE OF ARAB BOYCOTT LANGUAGE FOR PART OF TENDER IS DUE TO FACT THAT MONEY FOR THAT PART COMES FROM IDA (WORLD BANK) RATHER THAN ARAB FUND. QUESTION ARISES WHETHER IN LIGHT NEW AND OLD LAW AND REGULATIONS, POST OR USDOC CAN HANDLE PART OR ALL OF TENDER AS NOW STATED.

3. POST WISHES POINT OUT THAT MINISTER OF ECONOMY, WHO RESPONSIBLE FOR BOYCOTT AFFAIRS HERE IN YEMEN, TOLD AMBASSADOR ON 19TH MAY THAT YARG WAS INTERESTED IN COMPANIES WHICH WOULD DO A GOOD JOB. AS AN EXAMPLE, HE SAID YEMEN PETROLEUM COMPANY WANTED TO DEAL WITH A COMPANY WHICH WAS APPARENTLY ON BOYCOTT LIST AND "I TOLD THEM TO GO AHEAD".

4. AMBASSADOR HAD SPECIFICALLY RAISED REFTEL WHICH REPORTED DUSSELDORF FIRM OF KOCHS AS SAYING THAT NON-JEWISH OWNERSHIP OR MANAGEMENT REQUIRED BY YARG FOR SPECIFIC PROJECT IN YEMEN. AMBASSADOR HAS SAID HE HOPED LIMITED OFFICIAL USE

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YARG DIDN'T PREJUDGE FIRMS ON REAL OR ALLEGED RELIGIOUS AFFILIATION OF SOME OR ALL MEMBERS. ECON MIN SAID HE HAD NEVER HEARD OF SUCH AN ANTI-JEWISH REQUIREMENT AND WOULD NOT SUPPORT ONE.

5. AMBASSADOR WENT ON TO SAY HE HOPED THAT YARG WOULD UNDERSTAND REASONS, BROAD SUPPORT AND FORCE OF NEW LEGISLATION IN US. AMBASSADOR USED TALKINGPOINTS IN STATE 43693 TO OUTLINE MODUS OPERANDI (POSITIVE CERTIFICATE OF ORIGINS AND NO TERTIARY BOYCOTT) WHICH WOULD HAVE TO APPLY IN CASE OF US COMPANIES WHICH SOUGHT WORK IN YEMEN. AS NOTED ABOVE, MIN ECON SAID QUITE FIRMLY AND WITH ALL APPARENT SINCERITY THAT HE SAW NO DIFFICULTY AT ALL. HE ALSO INDICATED THAT HE CLEARLY UNDERSTOOD THE DISTINCTION BETWEEN PRIMARY AND SECONDARY BOYCOTTS, AND POSITIVE AND NEGATIVE CERTIFICATIONS OF ORIGIN. HE DID NOT IN ANY WAY, HOWEVER, COMMIT HIMSELF OR THE YARG TO A RENUNCIATION OF SECONDARY BOYCOTTS OR NEGATIVE CERTIFICATIONS OF ORIGIN.

COMMENT: YEMEN HAS LITTLE DEEP INTEREST IN ARAB-ISRAELI
CONFLICT AND EVERY YEMENI OFFICIAL WHO DISCUSSES BOYCOTT
MAKES IT CLEAR THEY INTEND PROCEED PRAGMATICALLY AND
IGNORE BOYCOTT WHEN DESIRABLE TO THEM. NO ONE RPT NO
ONE, HOWEVER, IS PREPARED TO DISMANTLE APPARATUS, FORMAL
WORDING, ETC. IN ANY CASE, POST REQUESTS DEPARTMENT'S
GUIDANCE ON WHETHER SUCH A TENDER SHOULD BE REPORTED IN
USUAL FORMAT, OR WHETHER EXCLUSIONS OF ISREAL AS A
BIDDER BARS ANY USG REPRESENTATIVE FROM TAKING ACTION.
SCOTES

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Sent Date: 24-May-1977 12:00:00 am
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Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Source: CORE
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Executive Order: N/A
Errors: N/A
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Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1977/newtext/t19770523/aaaaatya.tel
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SAS ID: 2389890
Secure: OPEN
Status: NATIVE
Subject: ARAB BOYCOTT
TAGS: BEXP, YE
To: STATE
Type: TE
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